

MT LEGISLATIVE HISTORY

Chapter 621 1985

Bill H 229 S _____

Original bill & hist. C

H. Committee on Local Government

S. Committee on Taxation

Hearing Date(s) Feb 05 ✓ C

Hearing Date(s) Mar 12 ✓ C

_____ C

Apr 05 ✓ C

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Date Out Feb 05 ✓ C

Apr 05 ✓ C

Did this bill originate in an interim committee? Yes No

Committee _____

Report _____

March 12, 1985

The committee discussed the situation of counties already levying the 2 mills could continue to do so, or could cut that back to nothing if they desired.

Senator Severson asked what help would be given to general service airports. Mr. Atwood said that \$140,000 would be made available to the airport loan and grant program for airports below the commercial level. He said there are 120 airports in the state now, 15 of which are "commercial level" airports.

Senator Stimatz closed saying that the Montana aviation industry is fragmented and represents many groups and attitudes. He said that HB 822 would levy additional fuel tax against the major carriers at a time they can ill afford it. He said that HB 405 is an attempt at equity for the industry and at providing property tax relief at the local level. He said this was a step to get relief to major airports and to upgrade some of the primitive facilities in smaller airports. He said the bill is essential to the survival of the transportation industry.

CONSIDERATION OF HB 279: Representative Les Kitselman was recognized as chief sponsor of the bill. He said that the bill simply allowed funds remaining at the end of indebtedness of a special improvement district to be rolled over into a district maintenance fund to maintain the improvements that were originally paid for by the rural district.

PROPONENTS

Mr. Mike Stephens representing the Clerk and Records Association said that the money would be used to benefit those who had put the dollars in originally.

OPPONENTS

None were heard.

Questions from the committee were called for.

Senator McCallum asked how that money was used now. Representative Kitselman said that the money is returned to the property owners. He said that a maintenance district is separately created and reassessment is made. He said this would provide that the local governing body would have the option to create the maintenance district with this money upon notification to the assessed district.

Representative Kitselman clarified that it would amount to about \$200 to the individuals of the district and that if the money needed to do the maintenance falls short a new assessment would have to be made.

He closed without comment.

CONSIDERATION OF HB 315: Representative Dennis Rehberg, House District 88, was recognized as chief sponsor of the bill. He said that the bill assigns a percentage of the common areas in condos to each

ROLL CALL

SENATE TAXATION COMMITTEE

49th Legislative Session -- 1985

Date March 12, 1985

Location -- Room 413-415

Name Present Absent Excused

Senator Brown	✓		
Senator Eck	✓		
Senator Goodover	✓		
Senator Hager	✓		
Senator Halligan	✓		
Senator Hirsch	✓		
Senator Lybeck	✓		
Senator Mazurek	✓		
Senator McCallum	✓		
Senator Neuman	✓		
Senator Severson	✓		
Senator Towe	✓		

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DATE: March 12, 1985

VISITORS' REGISTER

[illegible]

(Please leave prepared statement with Secretary)

April 5, 1985

new formula was necessary.

Senator Goodover asked what the fiscal impact would be in 1991. Senator Towe said that agricultural land could go down in value at that time. Senator Severson said that the taxable percentages would not change. He said that even though the current schedules are not perfect, they had agreed to stay with the status quo and try to do something better through HB 168.

MOTION: Senator Hirsch moved that HB 168 be amended per Exhibit 3.
The motion carried unanimously.

Senator Towe addressed the issue of whether property taxes should be treated as an expense rather than capitalized. Mr. Groepper said the problem with that was that there is very little expense information for many farms. He said that if the information was known it could be in the numerator of the formula. As it is, he said that the information was so poor on the expense side that it would probably result in a higher value. Senator Neuman agreed saying that accurate data was hard to come by and this method would cut down on error.

Mr. Groepper told the committee that the Department person responsible, Mr. Les Saisbury, could address the committee on this point.

Senator Eck asked if the timber problems had been considered. Senator Towe said that timber was clearly excluded from the bill.

Senator McCallum asked if the higher prices would cycle in when farming again became profitable. Senator Severson said the data is collected over a period of years for that reason. Senator Neuman said the percentage can be adjusted and that the point of the bill is to achieve equity among the classes.

Chairman Towe asked the Department to bring staff knowledgeable about agricultural land valuation to the next committee meeting.

CONSIDERATION OF HB 279: Senator Eck said this bill may already be accomplished as HB 885. It was decided to pass consideration until that information could be clarified.

CONSIDERATION OF HB 425. Senator Mazurek said that the definition of leasehold improvements was not yet clear. Senator Hirsch said that the statutes only refer to them with respect to mobile homes, and that there are a host of other applications.

Mr. Groepper said that the law only addresses leasehold improvements as mobile homes. He said that HB 172 tries to make a place for expanded definition in the law, but that the term had been defined by the courts as something that is "man-made affixed permanently to the ground."

Senator Mazurek asked if there would be a tax shift from landlord to tenant. Mr. Groepper said, no, because whether the landlord bills distributively or the bill goes directly to the tenant, the same results. He said that the Department would not do anything

April 5, 1985

differently. He said the bill would give the treasurers an opportunity to pick up liens. He said the liability for leasehold improvements would still be with the businesses and for the building with the owner.

MOTION: Senator Eck moved that HB 425 be concurred in.

The committee agreed that HB 172 was not needed if this bill passed. With Senators Mazurek and Neuman voting no and all others voting yes, the motion carried. Senator Eck agreed to carry the bill.

CONSIDERATION OF HB 279: Mr. Jim Lear, committee staff, said that HB 885 in its original form included amendment to the same section but that HB 885 should be disregarded in relationship to this bill.

Senator Eck said that the dollars remaining were difficult to distribute. Senator Towe noted that the bill was optional and not required. Senator McCallum questioned the timing of the movement of the money, wanting to be assured that there would be the money to pay the original RID.

MOTION: Senator Hager moved that HB 279 be concurred in.

Senator Hager said that the only dollars used for maintenance would be those that came after the loan is paid. Senator Hirsch noted that line 23 of the bill required the debt to be fully paid.

Question was called and the motion carried unanimously.

CONSIDERATION OF HB 493, HB 494, HB 495:

MOTION: Senator Halligan moved that HB 493, HB 494, and HB 495 be tabled.

MOTION: Senator Goodover moved as a substitute motion that HB 493 be concurred in. Senator Goodover suggested that the bills were being tabled for political leverage.

Senator Mazurek said, no, they were being tabled on merit.

MOTION: Senator Hager moved as a substitute motion for all motions pending that HB 493 be amended per Exhibit 5. It was explained that otherwise the referendum would exceed the maximum number of words allowed on the ballot. The motion carried unanimously.

Senator Goodover spoke in support of his motion saying that this bill was another way to create jobs and money. Senator Towe said that revenue from the trust income would not be replaced and the state could actually lose income.

Question was called on Senator Goodover's motion. Senators Goodover, Hager, McCallum and Severson voted yes. All other members voted no. The motion failed.

ROLL CALL

SENATE TAXATION COMMITTEE

49th Legislative Session -- 1985

Date April 5, 1985

Location -- Room 413-415

Name	Present	Absent	Excused
Senator Brown	✓		
Senator Eck	✓		
Senator Goodover	✓		
Senator Hager	✓		
Senator Halligan	✓		
Senator Hirsch	✓		
Senator Lybeck	✓		
Senator Mazurek	✓		
Senator McCallum	✓		
Senator Neuman	✓		
Senator Severson	✓		
Senator Towe	✓		

STANDING COMMITTEE REPORT

April 3, 85

..... 19.....

MR. PRESIDENT

Taxation

We, your committee on.....

House Bill

279

having had under consideration..... No.....

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(Senator Hager)

RURAL IMPROVEMENT DISTRICTS--TRANSFER OF MONEY TO MAINTENANCE FUND.

House Bill

279

Respectfully report as follows: That..... No.....

BE CONCURRED IN

~~XXXXXX~~

~~XXXXXXXXXX~~

Senator Thomas E. Towe,

Chairman.

Rep. Eudaily referred the question to Mike Stagstead who said it was simply to make sure you cannot go outside the county.

Rep. Pistoria asked Mike Stagstead if he received any calls regarding other counties. He replied he did not.

CONSIDERATION OF HOUSE BILL NO. 279: Rep. Kitselman, sponsor of the bill, stated this bill basically provides that money not needed to pay rural special improvement bonds or warrants and is not needed to repay any loans to the district revolving fund, goes to the district maintenance fund. He then went through the bill and explained where the money comes from.

PROPOSERS: Mike Stephens, representing the Clerks and Recorders Association, testified that when a sinking fund winds down, the money now becomes an excess. He feels that this may revert to the maintenance fund.

Fern Hart stated she supports this bill. She presented written testimony, Exhibit 1.

Terry Carmody, Montana Realtors Association, stated they support the bill.

There were no further proponents and no opponents present.

Rep. Kitselman closed.

CONSIDERATION OF HOUSE BILL NO. 382: Rep. Harp, sponsor of the bill, said this bill changes the way the gas tax money is used which pertains to cities and counties. He stated he was disappointed about some of the misleading information on the purpose of the bill. The purpose is to make sure the money is put to use by the present statute.

PROPOSERS: Carl Siefert, representing himself and other citizens, stated the reason the bill was drafted was because it helps get the gas tax passed. This bill is not doing anything that was not in HB 16 in the 1983 session.

Bill Olson, representing the Montana Contractors' Association, presented written testimony in the form of a Memorandum dated May 9, 1984, from the Montana Contractors' Association (Exhibit 1). He said that on page 3, line 16 of the bill, it states that all funds allocated to counties, cities and towns shall be disbursed only by contract and when the contract exceeds \$4,000 the contract may be let only to the lowest bidder. The content of the bill itself addresses construction. It is their intent that from the time construction begins, that is when contracts should be initiated. The competitive bidding process is the best for the taxpayer. On behalf of the Association he represents, he sincerely urged the committee

CONSIDERATION OF HOUSE BILL NO. 347: Rep. Pistoria, sponsor of the bill, appeared before the committee to present the bill. This bill requires that municipalities with the commission-manager form of government have their commission be elected by single member district apportioned by population from candidates residing in the district. Rep. Pistoria stated there are only 4 or 5 cities in the state of Montana that have city commission form of government and he feels you get better representation for the people in those communities. In 1976, the Study Commission came up with several types of governments and the people in the state of Montana did vote for them. He said he reserved the right to make a few remarks on closing.

There were no proponents present for House Bill 347.

OPPONENTS: Jerri Green, representing the Great Falls Area Chamber of Commerce, stated this bill drastically changes the objectives of the commission-manager form of government. She presented written testimony from Roger W. Young, President of the Great Falls Area Chamber of Commerce in opposition to this bill, which is attached as Exhibit 1.

Also attached is written testimony in opposition to House Bill 347, from Mary Vant Hull, Bozeman City Commissioner (Exhibit 2), Mike Ward of Bozeman, who is an elected local government study commission member (Exhibit 3), Beverly Knapp, Chairman of the Bozeman Local Government Review Board (Exhibit 4), Owen Robinson, Chairman of the City Government Study Commission of Great Falls (Exhibit 5) and Stanley F. Meyer, a citizen of Great Falls (Exhibit 6).

In closing, Rep. Pistoria said he does not want the Chamber of Commerce running the city of Great Falls or any other cities of Montana. Proper representation is by people living in a district. He is here to have it changed to help the study groups in the state of Montana. He told the committee not to listen to the Chamber of Commerce, that he represents the people and that is who should be listened to.

The committee then went into executive session for action on the bills.

DISPOSITION OF HOUSE BILL NO. 279: Rep. Kitselman moved that House Bill 279 DO PASS, seconded by Rep. Fritz. Question being called for, Rep. Kitselman's motion PASSED UNANIMOUSLY.

DISPOSITION OF HOUSE BILL NO. 582: Rep. Fritz moved that House Bill 582 DO PASS, seconded by Rep. Pistoria. Rep. Brown then moved to amend line 12 and line 20 by striking "civil". This was seconded by Rep. Brandewie. Rep. Brown stated the reason he wanted to remove it is because a professional engineer of the county could be an electrical or chemical engineer and

(Type in committee members' names and have 50 printed to start).

DAILY ROLL CALL

LOCAL GOVERNMENT COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date 2-5-85

NAME	PRESENT	ABSENT	EXCUSED
Paula Darko, Chairman	X		
Norm Wallin, Vice Chairman	X		
Ray Brandewie	X		
Dave Brown	X		
Harry Fritz	X		
Stella Jean Hansen	X		
Bob Gilbert	X		
Mike Kadas	X		
Les Kitselman	X		
Paul Pistoria	X		
Bing Poff	X		
Walter Sales	X		
Jack Sands	X		
Dean Switzer	X		

STANDING COMMITTEE REPORT

February 5, 19 85

MR. SPEAKER:

We, your committee on LOCAL GOVERNMENT

having had under consideration HOUSE Bill No. 279

FIRST reading copy (WHITE)
color

RURAL IMPROVEMENT DISTRICTS - TRANSFER OF MONEY
TO MAINTENANCE FUND

Respectfully report as follows: That HOUSE Bill No. 279

DO PASS

STATE PUB. CO.
Helena, Mont.

PAULA SARNO, Chairman.

COMMITTEE SECRETARY

Exhibit 1
HB 279
2-5-85
Rep. Kutsel-

I am Fern Hart, Clerk & Recorder of Missoula County, and I am here to testify in support of HB 279.

We recognize the need for this legislation although it will create more record keeping for our office. It will be a benefit to the districts in the long run. We now have 64 maintenance districts. Our biggest problem is with sewer and water districts under the direction of homeowners' associations. The county learns of severe problems as a last resort. We need a mechanism to keep the districts in working order.

I urge a "do pass" for HB 279.

2-5-85

FH:sm

VISITOR'S REGISTER

HOUSE LOCAL GOVERNMENT COMMITTEE

BILL HB 279

DATE Feb. 5, 1985

SPONSOR Rep. Kitselman

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.